



## STATE BOARD OF EQUALIZATION STAFF LEGISLATIVE BILL ANALYSIS

Date Introduced:	08/15/05	Bill No:	SCA 17
Tax:	Administration	Author:	Speier
Related Bills:			

### BILL SUMMARY

This constitutional amendment, if approved by the voters, would restrict certain identified state officers, including Members of the State Board of Equalization (Board), from providing services under contract or otherwise accepting employment in exchange for compensation other than the compensation received for performing the duties of state office.

### ANALYSIS

#### Current Law

Under current Section 14 of Article V of the California Constitution, the Governor, Lieutenant Governor, Attorney General, Controller, Insurance Commissioner, Secretary of State, Superintendent of Public Instruction, Treasurer, and Members of the Board, are restricted from accepting certain gifts and from earning or receiving income from:

- Lobbyists or lobbying firms, as defined by the Political Reform Act of 1974;
- A person who, during the previous 12 months, had been under contract with the state agency under the state officer's jurisdiction;
- An honorarium;
- Appearing before any state or local government board or agency; or
- Acting as a lobbyist before the executive branch for 12 months after leaving office.

The constitution further states that the Legislature shall enact laws that implement those various restrictions.

Under Government Code Section 15603, a Member of the Board must devote his or her entire time to the services of the state in performing the duties imposed upon the Board and its members by the Constitution and statutes of this state.

Government Code Section 15625 includes specific restrictions on Members and employees of the Board related to property tax duties, including engaging in any gainful profession, trade, business or occupation whatsoever for any person, firm or corporation that is incompatible or involves a conflict of interest with their property tax duties

#### Proposed Law

With the exception of compensation received for performance of his or her duties of office, this proposed constitutional amendment, if approved by the voters, would amend the California Constitution to prohibit a state officer from providing services under

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contract or otherwise accepting employment in exchange for compensation or other valuable consideration to that state officer or to any other party or entity.

### **In General**

The Board is comprised of four elected members, one from each equalization district, and the State Controller. The Board sets the values for state-assessed properties and hears appeals of those values. It also provides certain administrative and oversight functions with respect to the local property tax. The Board hears appeals from actions of the Franchise Tax Board and currently also administers the following tax and fee programs: sales and use tax, Bradley-Burns uniform local sales and use tax, transactions and use tax, alcoholic beverage tax, cigarette and tobacco products tax, motor vehicle fuel tax, diesel fuel tax, interstate user tax, emergency telephone users surcharge, energy resources surcharge, insurance tax, integrated waste management fee, natural gas surcharge, childhood lead poisoning prevention fee, oil spill response and prevention fee, underground storage tank maintenance fee, use fuel tax, hazardous substances tax, California tire fee, occupational lead poisoning prevention fee, marine invasive species fee, electronic waste recycling fee, timber yield tax and private railroad car tax.

### **COMMENTS**

1. **Sponsor and purpose.** This measure is sponsored by the author and is intended to restrict outside income for services performed by elected state officials. The author notes that "...the public expects the constitutional officers of this state to be exclusively in the employment of the public."
2. **The author's office notes that they do not expect to get a rule waiver to hear the bill before the September Recess.** Further, the author is considering various amendments, which may even include expanding the bill to include Legislators in some capacity, perhaps modeled after the laws that govern the U. S. Congress.

The Legislative Section will prepare a more detailed analysis when the bill has been set in a policy committee.

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**COST ESTIMATE**

Any costs related to this proposed constitutional amendment would be insignificant.

**REVENUE ESTIMATE**

This measure would not impact state revenues.

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